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Consumer Price Index, Houston-Galveston-Brazoria – April 2017

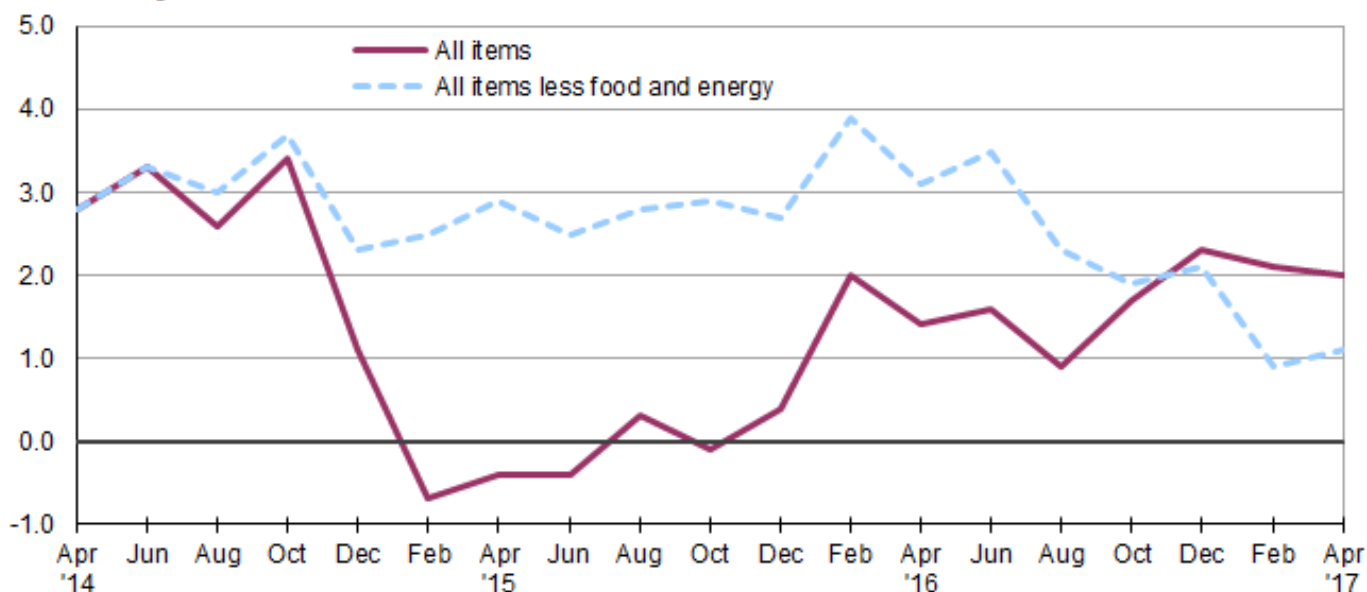
Area prices rise 0.4 percent in March and April; up 2.0 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.4 percent in March and April, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that this followed a 0.6-percent rise in the previous period and that all three of the major sub-components contributed to the current rise. Increases in the indexes for all items less food and energy (0.2 percent) and for energy (1.7 percent) led the latest advance, though higher prices for food (0.4 percent) also contributed. (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in April 2017, the all items CPI-U advanced 2.0 percent. The index for all items less food and energy increased at about half this overall rate, up 1.1 percent during the year ended in April 2017. (See [chart 1](#) and [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Houston, April 2014–April 2017

Percent change



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 0.4 percent in March and April, after rising 0.5 percent in January and February. Among the two components of the index, prices for food at home (grocery stores) increased 0.7 percent and prices for food away from home were virtually unchanged (-0.1 percent). This was the fastest rate of increase in grocery store prices since November and December 2015.

From April 2016 to April 2017, the food index rose 0.6 percent. This movement reflected the combined effects of a 1.5-percent rise in prices for food away from home and a 0.2-percent dip in grocery store prices.

Energy

The energy index rose 1.7 percent in March and April, following a 3.1-percent increase in the first two months of the year. The advance resulted from an 8.0-percent increase in motor fuel costs, as electricity prices fell 5.2 percent and natural gas costs were unchanged.

During the 12-month period ended in April 2017, the energy index climbed 18.0 percent. All three energy sub-components contributed to the latest annual price increase: motor fuel (19.5 percent), electricity (16.5 percent), and natural gas (16.0 percent).

All items less food and energy

The index for all items less food and energy edged up 0.2 percent in March and April, after rising 0.4 percent in January and February. One of the biggest factors in the current advance was a 0.3-percent increase in the shelter index, as prices rose for all three of the sub-components: renters' costs, owners' equivalent rent, and lodging away from home. Other important contributors to the two-month movement were higher costs for medical care, particularly for medical care services, as well as increased prices for non-energy transportation items such as used cars and trucks. These increases were partially offset by declines in the indexes for education and communication (-1.1 percent), apparel (-1.7 percent), and recreation (-0.7 percent).

From April 2016 to April 2017, the index for all items less food and energy advanced 1.1 percent. A 1.6-percent increase in shelter costs was the biggest factor in the annual rise, as prices were up for both renters' costs (3.4 percent) and owners' equivalent rent (0.9 percent). Still, the annual rate of increase in shelter costs has been on a near continual decline since the most recent peak of 6.3 percent in November 2015. Another large contributor to the 12-month annual increase was medical care prices, which rose 3.7 percent during the period. In contrast, prices fell over the year for education and communication (-4.1 percent) and recreation (-1.5 percent).

The June 2017 Consumer Price Index for All Items for Houston-Galveston-Brazoria is scheduled to be released Friday, July 14, 2017.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total

population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. NOTE: **Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Feb. 2017	Mar. 2017	Apr. 2017	Apr. 2016	Feb. 2017	Mar. 2017
All items	219.061	-	219.852	2.0	0.4	-
All items (1967 = 100)	702.608	-	705.144			
Food and beverages	225.215	-	225.928	0.4	0.3	-
Food	225.139	-	225.932	0.6	0.4	-
Food at home	221.947	222.846	223.555	-0.2	0.7	0.3
Food away from home.....	224.575	-	224.380	1.5	-0.1	-
Alcoholic beverages	216.085	-	215.576	-1.7	-0.2	-
Housing	212.585	-	212.402	2.3	-0.1	-
Shelter	252.877	253.191	253.530	1.6	0.3	0.1
Rent of primary residence(1).....	251.077	251.409	251.535	3.4	0.2	0.1
Owners' equivalent rent of residences(1) (2).....	233.242	232.992	233.407	0.9	0.1	0.2
Owners' equivalent rent of primary residence(1)(2).....	233.242	232.992	233.407	0.9	0.1	0.2
Fuels and utilities.....	167.666	-	162.232	11.8	-3.2	-
Household energy	148.800	133.777	142.375	16.4	-4.3	6.4
Energy services(1)(3).....	146.358	131.359	139.915	16.5	-4.4	6.5
Electricity(1).....	145.861	128.188	138.268	16.5	-5.2	7.9
Utility (piped) gas service(1).....	136.163	136.209	136.192	16.0	0.0	0.0
Household furnishings and operations.....	130.646	-	131.426	-0.5	0.6	-
Apparel	189.590	-	186.455	3.9	-1.7	-
Transportation	177.043	-	182.285	5.6	3.0	-
Private transportation	175.287	-	180.485	5.9	3.0	-
Motor fuel	186.971	187.470	201.942	19.5	8.0	7.7
Gasoline (all types).....	187.068	187.495	202.377	19.3	8.2	7.9
Gasoline, unleaded regular(4).....	189.221	189.217	205.290	19.8	8.5	8.5
Gasoline, unleaded midgrade(4) (5).....	202.293	204.445	216.751	18.5	7.1	6.0
Gasoline, unleaded premium(4)....	204.806	207.642	218.344	16.8	6.6	5.2
Medical care	471.943	-	474.138	3.7	0.5	-
Recreation(6).....	103.579	-	102.831	-1.5	-0.7	-
Education and communication(6).....	121.556	-	120.229	-4.1	-1.1	-
Other goods and services	402.466	-	402.886	1.8	0.1	-
Commodity and service group						
Commodities	172.685	-	173.734	1.4	0.6	-
Commodities less food and beverages	146.963	-	148.129	1.9	0.8	-
Nondurables less food and beverages.....	194.931	-	197.684	6.3	1.4	-
Durables	102.323	-	102.352	-3.0	0.0	-
Services.....	266.940	-	267.531	2.4	0.2	-
Special aggregate indexes						
All items less shelter.....	206.392	-	207.241	2.2	0.4	-
All items less medical care	206.780	-	207.509	1.9	0.4	-
Commodities less food	149.369	-	150.497	1.8	0.8	-
Nondurables	210.269	-	212.004	3.1	0.8	-
Nondurables less food.....	195.932	-	198.488	5.7	1.3	-
Services less rent of shelter(2).....	280.794	-	281.396	3.2	0.2	-
Services less medical care services.....	246.762	-	246.990	2.2	0.1	-
Energy	165.884	157.510	168.680	18.0	1.7	7.1
All items less energy	227.303	-	227.902	1.0	0.3	-
All items less food and energy	227.488	-	228.055	1.1	0.2	-

Note: See footnotes at end of table.

Footnotes(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) Prior to January 2011 this series was titled Gas (piped) and electricity.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1997=100 base.

Note: Index applies to a month as a whole, not to any specific date.